

Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/LG/0267/20

Mike Hedges AM
Chair
Climate Change, Environment, and Rural Affairs Committee
National Assembly for Wales

31 January 2020

Dear Mike,

Thank you for the Annual Report of the Climate Change, Environment and Rural Affairs Committee on the Welsh Government's progress on climate change, 2019-20. Please find attached a response on behalf of the Welsh Government to the Committee's recommendations. If you feel the Committee would benefit from a discussion with the Committee on Climate Change Secretariat on any of these matters, I would be happy to make the request on your behalf.

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end.

Lesley Griffiths AC/AM
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Written Response by the Welsh Government to the Climate Change, Environment and Rural Affairs Committee's Annual report on the Welsh Government's progress on climate change, 2019-20

The Minister for Environment, Energy and Rural Affairs welcomes the report from the Committee and the engagement around this agenda, especially in this important year in the run up to the United Nations, Conference of the Parties (COP26) on climate change. The Welsh Government accepts most of the recommendations but is unable to accept one recommendation. Further detailed information is outlined below.

Recommendation 1. The Welsh Government should publish as soon as possible the advice it has commissioned from the UK CCC on its aspiration to reach net-zero by 2050.

Response: Accept

The Committee on Climate Change (CCC) will publish the advice on its website in September 2020. We will provide and publish a link to their site.

As the Welsh Government has accepted the CCC's recommendation to increase Wales's 2050 target to 95%, I have asked the CCC for advice on the changes required to the existing interim targets for 2030 and 2040, and the second carbon budget (2021-25). I have also asked for advice on setting the level of the third carbon budget (2026-30) and on the limit on the amount of carbon units that may be credited to the net Welsh emissions account in the second carbon budget.

The Welsh Government also has an ambition to bring forward a net-zero target in the future. I have, therefore, also asked the CCC for advice on the options available to Wales for reaching that goal.

Financial implications: None.

Recommendation 2. The Minister should provide details about the timetable for bringing forward subordinate legislation to amend the 2050 and interim targets.

Response: Accept

The CCC is running a call for evidence to inform its advice until 5 February and I expect to receive the advice in September. Subject to scheduling, it is my intention to lay legislation in October ahead of a plenary session in November. We are scheduling this in advance of the United Nations Conference of the Parties (COP26) this year, which is being held in Glasgow, so we can ensure Wales goes with the message, we are ready to play our part and call upon others to join with us and legislate for this ambition.

Financial implications: None.

Recommendation 3. The Welsh Government should commit to consulting the Assembly, stakeholders and the public on future carbon budgets and associated regulations. The absence of an explicit requirement to consult in the Environment (Wales) Act 2016 should not be used as a reason not to do so.

Response: Accept in principle

We understand the Senedd wants stakeholders to be given the opportunity to feed in to the development of the supporting regulations under the Environment (Wales) Act. Although the Act does not contain an explicit requirement, we have widened our engagement approach. The Senedd, stakeholders and the public are able to influence the setting of carbon budgets by contributing to the CCC's calls for evidence, which inform their advice to Welsh Ministers. We have supported calls for evidence in 2017 and again in 2020, which included events in North and South Wales to enable stakeholders to be part of the process. These Calls are important as the setting of our carbon budgets needs to have a robust evidence base. As we are required to seek the CCC's advice before setting a carbon budget and as long as the CCC is willing to run calls for evidence to inform that advice, we will continue to hold events and promote the Call to ensure Welsh stakeholders views are heard. Furthermore, the laying process through the Senedd provides a supporting scrutiny process.

Financial implications: Costs associated with supporting the CCC's calls for evidence will be met from existing budgets.

Recommendation 4. The Welsh Government should request that the UK CCC separates data on Welsh emissions reduction according to devolved and non-devolved areas. The UK CCC should adopt this approach as soon as is reasonably practicable.

Response: Accept

My officials have raised this issue with the CCC Secretariat and will continue to discuss how the recommendation could be delivered. It may be relatively easy for the CCC to provide qualitative analysis, while a quantitative view is likely to be much more challenging given the nature of the devolution settlement and the difficulty in apportioning any change in emissions to a specific policy.

The CCC's 2019 Scotland Progress Report identified which Government had primary responsibility for its recommended short- and medium-term actions in each emissions sector. I will ask the CCC to provide equivalent analysis in its first Wales Progress Report, due in September 2020.

Financial implications: There may be costs associated with additional CCC analysis, which will be confirmed through further discussion with them. Any costs will be met from existing budgets.

Recommendation 5. The Welsh Government should report back to this Committee within 6 months on how it will address the disconnect in the timetables for carbon budgets and reports on whether they will be met. It should develop its approach in consultation with stakeholders.

Response: Accept in principle

We are happy to outline the approach for the timing of the carbon budgetary cycle within the next 6 months and explain why it has been designed that way. Stakeholders have not raised this with us recently, as the timing of the carbon budgetary cycle was discussed only a few years ago when the Environment (Wales) Bill went through the Senedd process. The carbon budgets should be set on the basis of what the science requires, advice from the CCC and other considerations required under the legislation, rather than purely on whether our performance to date allows them to be met, if we are to achieve the goal of avoiding dangerous levels of climate change.

Financial implications: None.

Recommendation 6. The Welsh Government's draft Budget should explain and demonstrate clearly how funding allocations will support the decarbonisation priority.

Response: Accept

The 2020-21 draft budget was the first budget since our declaration of a climate emergency, where we have allocated a new £140 million package of capital funding to support our ambitions for decarbonisation and to protect our environment. The budget also protects the significant ongoing investments we are making in support of our low-carbon delivery plan. The supporting budget narrative explains how we have done this: <https://gov.wales/sites/default/files/publications/2019-12/2020-2021-draft-budget-narrative.pdf>

As has been outlined by Ministers as part of scrutiny of the 2020-21 Draft budget, we recognise that assessing the direct contribution to decarbonisation that specific expenditure achieves is not a simple process in many cases. However as has also been stated where an investment is one against which a meaningful estimate of its carbon impact can be made, it is right that this assessment is undertaken.

Financial implications: None.

Recommendation 7. The Welsh Government should undertake a separate piece of work, in consultation with stakeholders, to assess how its engagement with stakeholders and the public could be improved in time for the development of the next iteration of its decarbonisation plan.

Response: Accept

The First Minister outlined our next low carbon delivery plan needs to be an All Wales Plan. The challenge of climate change is the responsibility of all Ministers. This means engagement with stakeholders is not solely my responsibility and is happening across Government. For instance, the Deputy Minister and Chief Whip is engaging the Third and Voluntary Sector through her Third Sector Partnership Council along with the Welsh Council for Voluntary Action. The business sector are looking at decarbonisation through the Council for Economic Development and the Public Sector are raising it through their meetings working with the Welsh Local Government Association. As part of the engagement we are asking if stakeholders want to be involved and working out the best method of engagement. In terms of the wider

engagement with the public we are working with Centre for Climate Change and Social Transformation and we are also holding an annual climate change conference to bring stakeholders together.

Financial implications: Costs associated with engaging stakeholders will be met from existing budgets.

Recommendation 8. The Welsh Government should commit to publishing a draft version of the next iteration of its decarbonisation plan and should undertake a public consultation on it.

Response: Reject

We understand the Committee wants stakeholders to be involved in developing the next plan, which is due to be published in 2021. However, we have to be mindful about the timing provisions within the Act, which requires each new Government to publish a delivery plan. Consultation will be a matter for the Government at the time to determine, as each new plan will need to be published within the first few months of a new Government.

The First Minister has been clear the next plan needs to be an All Wales plan. We have already started to engage stakeholders and held our first Wales Climate Change Conference last year with over 300 people, asking organisations to pledge to take action with us. In the development of the plan we will be taking forward this work with stakeholders across Government through key stakeholder forums such as the Third Sector Partnership Council, Council for Economic Development. In addition we are also involving young people and will be holding a conference for them next month so they can also get involved.

Financial implications: None.

Recommendation 9. The Welsh Government should make a statement explaining the impact on its projections and policies of the increase in the 2050 emissions reduction target 80% to 95%. It should do so when it brings forward the subordinate legislation required to change the targets.

Response: Accept

As part of the legislation, we will be publishing wider information to support the process explaining our assumptions and the developing and emerging evidence, which we have to date. We will include information relating to increasing the 2050 target when we present the subordinate legislation to the Senedd later this year.

Financial implications: None.

Recommendation 10. The Welsh Government should include an assessment of the costs, benefits and impact on decarbonisation of each policy and proposal included in the next iteration of its decarbonisation plan.

Response: Accept in principle

Departments are already expected to consider the cost and impact of all interventions as part of the policy development process.

However, the aim of the low carbon plan is to set out how we will meet our carbon budget, whilst also providing wider stakeholders with information on how we are taking action. The plan is a collation of cross-government action and should not be a mechanism to collate the impact assessments of each action.

The Environment (Wales) Act does not require us to publish an assessment of the cost and impact of each intervention. This is similar to the position in Scotland and at the UK level. However, we will conduct a wider appraisal of how the plan supports the well-being goals.

Financial implications: None.

Recommendation 11. The Welsh Government should introduce a mechanism, such as a carbon impact assessment, to report to the Assembly any policy decisions that will result in a significant increase in carbon output.

Response: Accept in principle

We understand the Senedd wants transparency around the way decisions are made. Welsh Ministers have already requested officials consider the impact of policy proposals on greenhouse gas emissions as part of the policy development process in order to inform Ministers in their decision-making. Currently, officials' conclusions should be recorded in integrated impact assessments alongside the relevant policy, strategy or legislation. Certain significant policy decisions have been subject to a carbon impact assessment, such as that surrounding the M4.

Welsh Government is currently carrying out a comprehensive review and development of our approach to the assessment of impact, which is focused on better understanding the impact our policies have on communities and their environments. The review will conclude by summer 2020, at which point the findings and recommendations will be considered and a refreshed approach will begin development, testing and implementation phases.

Financial implications: None.

Recommendation 12. The Welsh Government should commit that it will not “offshore” emissions. It should give an undertaking that it will report annually to the Assembly on any “offshoring” of emissions that takes place by the Welsh Government, public bodies or local authorities.

Response: Accept

We do not want to reduce emissions from Wales by shifting emissions overseas, especially in cases where Wales' subsequently imports the goods that generated those emissions back into Wales.

Although we do not have all of the powers to prevent it, we recognise the importance of understanding the changes in production and consumption emissions. This is why in the Environment Act we included provisions to measure Wales' consumption emissions, recognising our focus should be on decarbonising the process, or reducing our consumption of high-carbon products.

The Environment (Wales) Act 2016 sets a clear duty on Welsh Ministers to report on performance against this goal for each budget period. It states Welsh Ministers must estimate the total amount of greenhouse gases, whether in Wales or elsewhere, that may reasonably be attributed to the consumption and use of goods and services in Wales during the 5 year carbon budget period.

In reporting on Welsh consumer emissions, we put in place an effective mechanism to report any future increases in our global consumption allowing us to assess the degree to which this offshoring of emissions may have contributed to our efforts to reduce emissions in Wales.

Financial implications: There are no costs associated with reporting to the Senedd. Offshoring emissions may be the most cost-effective way of reaching Welsh emissions targets but would not lead to a reduction in global emissions, which is the motivation behind Welsh legislation.

Recommendation 13. The Welsh Government should explore whether there is merit in making available the modelling data produced using the Wales 2050 Calculator tool available under open-source arrangements.

Response: Accept

Our evidence is constantly evolving and maturing. Since developing our previous set of regulations our evidence has been updated and as a result we are also updating our 2050 Calculator to ensure it can provide robust evidence to support the development of the next delivery plan. As part of this process we intend to make the calculator publically available. Indeed, we believe the calculator will be most valuable if it builds upon the expertise of our stakeholders and the wider public and we are keen to seek advice to help further develop the modelling approach. In addition, we feel the model can play an important role in communicating the decarbonisation agenda in Wales. Whilst we are convinced there is merit in making the tool fully transparent and publically available, the timescale for developing a public user-interface to facilitate has yet to be determined.

Financial implications: Any costs associated with making the tool publicly available will be met from existing budgets.

Recommendation 14. The Welsh Government should publish its document that contains details of actions it has taken since the declaration of a climate emergency.

Response: Accept

Financial implications: None.